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| EXAMINER | |
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| AUGUSTIN, EVENS J | |

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The time period for reply, if any, is set in the attached communication.

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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*Ex parte* CHARLES ERIC HUNTER

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Appeal 2009-003103
Application 09/476,078
Technology Center 3600

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Decided: January 25, 2010

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*Before* MURRIEL E. CRAWFORD, HUBERT C. LORIN, and ANTON W. FETTING, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

## STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1-25, 27 and 31-33. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellant invented systems and methods for blanket transmitting video/audio content such as movies and music selections to each customer's computer-based recording, storage, and playback system. Customers preselect from a list of available movies, music, or other content in advance using an interactive screen selector, and pay for only the video/audio content that is actually viewed or music actually recorded for unlimited playback (Spec. 1:9-17).

Claim 1 under appeal is further illustrative of the claimed invention as follows:

> 1. A method comprising:
>
> receiving unrestricted playback selection information regarding a previously recorded music content item from a station, said station being associated with a customer, said unrestricted playback selection information having been generated automatically upon determining that the previously recorded music content item has been played at least a predetermined number of times at the station;
>
> granting permission for unrestricted playback of the previously recorded music content item; and
>
> billing the at least one customer based on the unrestricted playback selection information received.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

| | | |
|---|---|---|
| Schulhof | US 5,572,442 | Nov. 5, 1996 |
| Neville | US 6,272,636 B1 | Aug. 7, 2001 |

The Examiner rejected claims 1-9 and 32-33 under 35 U.S.C. § 101 for failing to recite patentable subject matter; and rejected claims 1-25, 27, and 31-33 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof in view of Neville.

We AFFIRM.

## ISSUES

Did the Appellant show the Examiner erred in asserting that claims 1-9 and 32-33 do not recite patentable subject matter under 35 U.S.C. § 101?

Did the Appellant show the Examiner erred in asserting that a combination of Neville and Schulhof renders obvious receiving unrestricted playback selection information regarding a previously recorded music content item, the unrestricted playback selection information having been generated automatically upon determining that the previously recorded music content item has been played at least a predetermined number of times, as recited in independent claims 1, 10, 27, 31, and 32?

## FINDINGS OF FACT

*Specification*

Appellant invented systems and methods for blanket transmitting video/audio content such as movies and music selections to each customer's computer-based recording, storage, and playback, system. Customers preselect from a list of available movies, music or other content in advance using an interactive screen selector, and pay for only the video/audio content that is actually viewed or music actually recorded for unlimited playback (Spec. 1:9-17).

*Neville*

Neville discloses digital product production and distribution including distribution of digital products in an execution controlled form (col. 1, ll. 11-14).

A metering function is incorporated into a previously manufactured fully functional digital product (col. 6, ll. 27-29).

Following public distribution of the metered product 200', end users receive, in block 107, copies of the metered product 200' for evaluation by execution thereof on a given computing device (col. 7, ll. 11-15).

A metering function operates under the programming of code section 402, e.g., allows a limited number of metered digital products 200' executions or allows product 200' execution only during a limited time period (col. 8, ll. 53-57).

Programming associated with decision block 607 determines according to some criteria, e.g., number of allowed executions or execution only during an allowed time period, whether the trial evaluation of metered digital product 200' remains in effect. If the trial evaluation is complete, the control passes to block 610 where meter code section 402 presents a message to the user indicating the trial evaluation has terminated and that purchase is now required to continue use (col. 9, ll. 42-50).

The server/clearinghouse 804 determines whether the user is authorized to execute the application and, if allowed, the server transmits the unlock key 803 to the end-user 806 computing device executing the client application. The client application makes use of unlock key 803 to decrypt previously encrypted portions, i.e., as encrypted by the builder program, and facilitate execution of the actual digital product. If the user is not to be

allowed use of this application, i.e., the server/clearinghouse 804 determines that an evaluation period has expired, the server does not transmit the unlock key 803 to the end user 806 computing device but sends an "'end of evaluation'" message (col. 13, ll. 23-35).

## PRINCIPLES OF LAW

*35 U.S.C. § 101*

The test to determine whether a claimed process recites patentable subject matter under § 101 is whether: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 961-62 (Fed. Cir. 2008) (*en banc*).

*Claim Construction*

While the specification can be examined for proper context of a claim term, limitations from the specification will not be imported into the claims. *CollegeNet, Inc. v. ApplyYourself, Inc.*, 418 F.3d 1225, 1231 (Fed. Cir. 2005).

## ANALYSIS

*Patentable Subject Matter*

We are persuaded of error on the part of the Examiner by Appellant's argument that claims 1-9 and 32-33 do not recite patentable subject matter under 35 U.S.C. § 101 (Reply Br. 1-7). The Examiner asserts that "the information is not coming directly from the station such that the step does not require a tie to another statutory category" (Ex. Ans. 3). However, independent claims 1 and 32 recite numerous steps, for example, the billing

step in independent claim 1 and the transmitting step in independent claim 32, which require a machine. Accordingly, claims 1-9 and 32 to 33 are tied to another statutory category.

The Examiner also asserts that "merely gathering . . . data with a machine [is] nominal" (Ex. Ans. 3). However, independent claims 1 and 32 recite steps other than "merely gathering data," for example, the aforementioned billing step in independent claim 1 and transmitting step in independent claim 32. Accordingly, the necessity of machines capable of performing steps in addition to "merely gathering data" makes them more than "nominal" recitations of a machine.

*Unrestricted Playback Selection Information*

We are not persuaded of error on the part of the Examiner by Appellant's argument that a combination of Neville and Schulhof renders obvious receiving unrestricted playback selection information regarding a previously recorded music content item, the unrestricted playback selection information having been generated automatically upon determining that the previously recorded music content item has been played at least a predetermined number of times, as recited in independent claims 1, 10, 27, 31, and 32 (App. Br. 10-13; Reply Br. 7-8). Appellant argues that unrestricted playback selection information is automatically generated *solely* based upon determining that the previously recorded music content item has been played at least a predetermined number of times. However, such an aspect is not set forth in the claims. *See CollegeNet, Inc. v. ApplyYourself, Inc.*, 418 F.3d at 1231.

Schulhof discloses that after the user is notified that the limited number of executions in the trial evaluation of the metered digital product has expired, the user is prompted to purchase the metered digital product. Upon the user's affirmative purchase of the metered digital product, server/clearinghouse 804 automatically generates and transmits unlock key 803 to end-user 806 computing device executing metered digital product 200'. Unlock key 803 of Schulhof corresponds to the recited unrestricted playback selection information. The fact that Schulhof discloses the intervening affirmative purchase step of the user does not mean that unlock key 803 is no longer based on the number of executions in the trial evaluation; it is still based on that *in addition to* the user's affirmative purchase. Accordingly, we sustain the rejections of independent claims 1, 10, 27, 31, and 32.

As Appellant does not set forth any additional arguments concerning any errors made by the Examiner specific to the rejections of any of dependent claims 2-9, 11-25, and 33, these rejections are also sustained.

## CONCLUSION OF LAW

On the record before us, Appellant has shown that the Examiner erred in rejecting claims 1-9, 32, and 33 under 35 U.S.C. § 101.

On the record before us, Appellant has not shown that the Examiner erred in rejecting claims 1-25, 27, and 31-33 under 35 U.S.C. § 103(a).

## DECISION

The decision of the Examiner to reject claims 1-25, 27, and 31-33 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a) (2007).

AFFIRMED

hh

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